

## AGENDA



Thursday, February 10, 2011

**Telecommunications & Regulatory Affairs  
RECOMMENDATION FOR COUNCIL ACTION****Item No. 26**

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**Subject:** Approve an ordinance suspending a rate increase by Oncor Electric Delivery Company, L.L.C.; requiring reimbursement of municipal rate case expenses by the regulated utility; and providing notice of this ordinance to Oncor Electric Delivery Company.

**For More Information:** Rondella M. Hawkins, Office of Telecommunications & Regulatory Affairs Manager, 512-974-2422

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On January 7, 2011, Oncor Electric Delivery Company, LLC ("Oncor"), filed a Statement of Intent with the City of Austin and all of the Texas cities it serves, and it simultaneously filed with the Public Utility Commission of Texas to increase its rates to deliver electricity, beginning on February 14, 2011.

The City of Austin has exclusive original jurisdiction over the rates pursuant to Section 33.001 of the Texas Utilities Code.

Oncor has requested a total increase in revenue of \$350 million, which is an estimated 12.7 percent increase in state-wide residential delivery rates. The increase would mean about \$5.00 more per month for an average residential customer.

There are approximately 609 residential customers in the City of Austin that could be impacted by the rate increase. These customers are in an area generally located north of Howard Lane, south of Wells Branch Parkway, west of I-35 and east of Loop 1.

The City is authorized under Section 104.107 of the Texas Utilities Code to suspend the effective date of an increase in electric rates for 90 days, or until May 13, 2011, in order to evaluate the effect of such a rate increase and to determine whether the rates are appropriate, fair, just and reasonable to ratepayers.

Texas Utilities Code §33.023 allows the City to recover certain municipal rate case expenses that it may incur when participating in a rate case proceeding.

City staff recommends that Council approve an ordinance suspending the rate request by Oncor Electric Delivery Company and provide notice of this ordinance to Oncor.